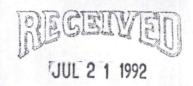


State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF STATE LANDS AND FORESTRY

Norman H. Bangerter Governor Dee C. Hansen Executive Director Richard J. Mitchell Division Director

355 West North Temple 3 Triad Center, Suite 400 Salt Lake City, Utah 84180-1204 801-538-5508 801-355-0922 (Fax)

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DIVISION OF OIL GAS & MINING

July 21, 1992

M/047/013

McKeachnie & Allred 363 East Main Street Vernal, UT 84078

Gentlemen:

RE: Ziegler Chemical & Mineral Corporation Notice of Intent, ML 19868 and ML 20779

The Division has reviewed your notice of intent to conduct gilsonite exploration and mining on lands under the above-numbered leases. Two requirements must be met prior to your commencement of operations.

- 1. A cultural survey of the affected lands must be completed by a qualified archaeological consultant at Lessee's sole expense. A completion report of the survey must be filed with this office.
- 2. A surety bond (bond form enclosed) in the amount of not less than \$7500 must be posted with the Division. Alternatively, you may post a short term renewable time Certificate of Deposit with the Division listed as an owner.

You must also meet all requirements of Division of Oil, Gas, and Mining for this project. Please contact me should you have any questions in this matter.

Sincerely,

JOHN T. BLAKE

MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: A. Gallegos, DOGM